

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 2
FOR THE REGULAR MEETING OF
TUESDAY, NOVEMBER 20, 2001**

**ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:**

ITEM-S500: Nine actions related to the Ballpark Redevelopment Project.

(See City Manager Report CMR-01-239 Revised.)

(Continued from the meeting of November 13, 2001, Item 330, at the request of Mayor Murphy, to allow the public and the Council to be updated.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A-1: (R-2002-550 Rev.1)

Adopting a resolution authorizing and approving a disclosure document (the "Offering Document") with respect to the issuance of Lease Revenue Bonds (Ballpark Bonds) by the Public Facilities Financing Authority to finance a portion of the City's contribution to the Ballpark Project and Redevelopment Project.

Subitem-A-2: (R-2002-690)

Adopting a resolution authorizing and approving the sale of the Ballpark Bonds as tax-exempt obligations through a Contract of Purchase (Purchase Contract) with Merrill Lynch, Pierce, Fenner & Smith Incorporated (Merrill Lynch), involving an initial purchase of the Ballpark Bonds by Merrill Lynch and, subject to certain restrictions, the subsequent placement of the Ballpark Bonds with a limited group of institutional investors, which may include an affiliate of Merrill Lynch.

Subitem-B: (R-2002-636 Rev.1)

Adopting a resolution authorizing and approving a Continuing Disclosure Agreement (CDA between the City and the trustee for the project with respect to the issuance of Ballpark Bonds by the Authority to finance a portion of the City's contribution to the Ballpark Project.

Subitem-C: (R-2002-515 Rev. 1)

Adopting resolutions on behalf of the City and Redevelopment Agency authorizing and directing the execution of the Second Implementation Agreement.

NOTE: See the Redevelopment Agency Agenda of November 20, 2001 for a companion item to Subitem C.

Subitem-D: (R-2002-594)

Adopting a resolution declaring the City's intent to reimburse itself for certain contributions to the Ballpark Project in the event refunding bonds are issued with respect to the Ballpark Bonds.

Subitem-E: (R-2002-643)

Adopting a resolution authorizing the repayment of loans totaling \$40.2 million to the City, and the acceptance of loans totaling \$40.2 million from the Agency.

Subitem-F: (R-2002-645)

Adopting a resolution revising CIP-39-228.0, Ballpark and Redevelopment Project; authorizing the appropriation of funds as detailed in the revised CIP, and set forth in Attachment A to the City Manager's Report No. CMR-01-239, for the purpose of funding expenses associated with the City's contribution to the Ballpark Project; and on a temporary basis authorizing the City Manager and City Auditor and Comptroller to utilize available funds as necessary for these purposes, until such time as appropriated funds anticipated to come into the treasury for such purposes are available.

Subitem-G: (R-2002-646)

Adopting a resolution authorizing the City Manager, and the City Auditor and Comptroller to take certain actions on behalf of the City, if necessary, to meet the City's obligations with respect to Ballpark Project costs if the City is unable to meet certain conditions relating to a surety bond policy for the Ballpark Bonds.

Subitem-H: (R-2002-647)

Adopting a resolution authorizing the City Manager, and the City Auditor and Comptroller to take certain actions on behalf of the City if necessary, to purchase and develop the Surface Lots if the Port does not purchase the lots under the Purchase and Sale Agreement.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:

ITEM-S501: Ballpark and Redevelopment Project - Amendment to the Financial Advisory Services Agreement.

(Centre City East Community Area. District-2.)

(Continued from the meeting of November 13, 2001, Item 332, at the request of Mayor Murphy, to allow the public and Council to be updated.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2002-529)

Authorizing the City Manager to execute an amendment to the agreement between the City and A.G. Edwards, for Financial Advisory Services concerning the Ballpark and Redevelopment Project;

Authorizing the expenditure of an amount not to exceed \$130,000 from Ballpark Project Fund 102214.

CITY MANAGER SUPPORTING INFORMATION:

The City desires to amend the agreement with A.G. Edwards to increase total expenditures for financial services relating to the Ballpark & Redevelopment Project by \$130,000. These additional expenditures include \$115,000 for fees and \$15,000 for expenses. Of this \$130,000 increase in total expenditures, \$80,000 will be allocated to A.G. Edwards and \$50,000 to Kitahata & Company. The need for these additional financial advisory resources stems from the complex nature of the financing for the Ballpark Project.

FISCAL IMPACT:

The amended agreement between the City and A.G. Edwards will increase total expenditures to a not to exceed amount of \$640,000 for fees and \$87,500 for expenses for a total contract amount of \$727,500. Funds are currently available in the Entertainment/Sports Center - Ballpark Project Fund.

Total fiscal impact for this action is \$130,000. Total costs for these services will be paid out of the Entertainment/Sports Center - Ballpark Project Fund.

Frazier/Vattimo/EK/JW

Aud. Certs. 2200402/2200403.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:

ITEM-S502: Second Amendment to Agreement for Ballpark Disclosure Counsel Services and Litigation Review.

CITY ATTORNEY'S RECOMMENDATION:

Adopt the following resolution:

(R-2002-689)

Authorizing the City Manager to execute a Second Amendment to the Agreement with Orrick, Herrington and Sutcliffe, for Ballpark Disclosure Counsel and Litigation Review Services;

Authorizing the expenditure of an amount not to exceed \$400,000 from Facilities Ballpark Fund 102214 for providing funds for the project.

SUPPORTING INFORMATION:

Orrick currently is acting as Bond and Disclosure Counsel in the proposed financing for the Ballpark and Downtown Redevelopment Project. Due to the numerous lawsuits that have been initiated on the project, the City engaged Orrick to review the litigation and its impact on the bond financing. Pursuant to an Agreement for Disclosure Counsel and Litigation Review Services between the City and Orrick [Agreement] (Document No. RR-293412), and a First Amendment thereto (Document No. RR-295459) these services have already been undertaken by Orrick. Others are ongoing as the City proceeds with the various lawsuits filed pertaining to the Ballpark and Downtown Redevelopment Project. Because of the length of time to bring this financing, forward and ongoing legal issues related to the financing, an amendment to the Agreement is needed to increase Orrick's compensation by an additional \$400,000.

Devaney/KS

Aud. Cert. 2200557.